

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF HARDIN COUNTY WATER)	
DISTRICT NO. 2, HARDIN AND LARUE COUNTIES,)	
KENTUCKY, (1) FOR A CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY AUTHORIZING)	CASE NO.
CONSTRUCTION OF MAJOR ADDITIONS AND)	93-267
IMPROVEMENTS TO ITS WATER DISTRIBUTION)	
SYSTEM; (2) SEEKING APPROVAL OF REVISED)	
WATER SERVICE RATES AND CHARGES; AND (3))	
SEEKING APPROVAL OF THE ISSUANCE OF CERTAIN)	
SECURITIES)	

O R D E R

On July 29, 1993, Hardin County Water District No. 2 ("Hardin No. 2") filed an application for a Certificate of Public Convenience and Necessity to construct a \$6,707,200 waterworks improvement project, for approval of its plan of financing for this project, and for adjustments to its water service rates. This project will provide service to 279 additional customers. Project funding includes a \$1,500,000 loan from the Farmers Home Administration ("FmHA"), \$5,135,000 in 1993 Series A Bonds ("A Bonds") and \$72,200 from applicants for service in the proposed project area. The FmHA loan will be for a 40-year period and the A Bonds will be for a 20-year period.

Hardin No. 2's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water districts and FmHA and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory

completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on July 29, 1993, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Hardin No. 2 is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Hardin No. 2's proposed plan of financing with FmHA is accepted.

3. Hardin No. 2 shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

4. The rates set out in Appendix A, which is attached hereto and incorporated herein, are the rates approved for service rendered on and after the date of this Order.

5. Hardin No. 2 shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.

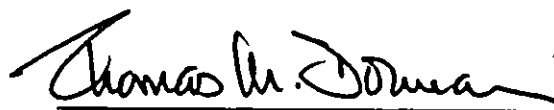
6. Hardin No. 2 shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 5(1), Hardin No. 2 shall take immediate action to bring the system into compliance with Commission regulations.

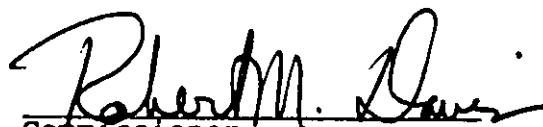
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 23rd day of August, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 93-267 DATED AUGUST 23, 1993

The following rates and charges are prescribed for the customers in the area served by Hardin County Water District No. 2. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

<u>Meter Size</u>	<u>Monthly Rates</u>
<u>5/8 x 3/4 Inch Connection</u>	
First 2,000 gallons	\$16.80 Minimum Bill
Over 2,000 gallons	4.25 per 1,000 gallons
<u>1 Inch Connection</u>	
First 5,000 gallons	\$29.55 Minimum Bill
Over 5,000 gallons	4.25 per 1,000 gallons
<u>1 1/2 Inch Connection</u>	
First 10,000 gallons	\$50.80 Minimum Bill
Over 10,000 gallons	4.25 per 1,000 gallons
<u>2 Inch Connection</u>	
First 20,000 gallons	\$93.30 Minimum Bill
Over 20,000 gallons	4.25 per 1,000 gallons
<u>3 Inch Connection</u>	
First 30,000 gallons	\$135.80 Minimum Bill
Over 30,000 gallons	4.25 per 1,000 gallons
<u>4 Inch Connection</u>	
First 50,000 gallons	\$220.80 Minimum Bill
Over 50,000 gallons	4.25 per 1,000 gallons
<u>6 Inch Connection</u>	
First 100,000 gallons	\$433.30 Minimum Bill
Over 100,000 gallons	4.25 per 1,000 gallons